

known as Parla airport, though there is an airfield at Phaphamau in Pindra village under the control of Defence near Allahabad. There is no proposal for construction of residential-cum-office complex at this airfield. No land was recently acquired for this airfield.

(b) to (e). Do not arise.

[English]

### **Performance of RRBs**

**771. SHRI DEVENDRA PRASAD YADAV:** Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks (RRBs) have lost their financial viability;

(b) if so, the reasons therefor indicating the progressive accumulated losses suffered by the banks since their inception; and

(c) the remedial measures taken or proposed to be taken by the Government to avoid losses in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c). National Bank for Agriculture & Rural Development (NABARD) have reported that during the year 1990-91 only 44 out of 196 Regional rural Banks (RRBs) could earn profits amounting to Rs. 21.47 crores as against a loss of Rs. 91.87 cores incurred by 152 RRBs. The accumulated losses at the end of March, 1991 was Rs. 363.91 crores. The reasons for the weak financial health of the RRBs are attributable to several factors like, restriction on the choice of clientele, limited area of operation, low interest margin, mounting establishment costs particularly after implementation of the Award of the National Industrial Tribunal etc. Based on the recommendations of the Working Group on RRBs (Kelkar Committee), several measures had been taken to

remove the financial weaknesses of RRBs such as enhancement of share capital, reduction in the interest rate on refinance from the sponsor banks, investment of RRBs resources in high earning securities etc.

### **Premium Charges form Handicapped Persons**

**772. SHRI ATAL BIHARI VAJPAYEE:** Will the Minister of FINANCE be pleased to state:

(a) whether the Life Insurance Corporation of India charges higher premium on the insurance policies from handicapped persons in comparison to other people;

(b) if so, the details and reasons thereof;

(c) whether the Government propose to lower the premium charges on insurance policies for handicapped; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). The Life Insurance Corporation of India charges standard/tabular premiums when there are no adverse features in the family or personal history of the proposer and his/her measurements like height, weight, pulse rate, blood pressure, etc. fall within the ranges fixed by the Corporation. In all other cases, the Corporation traditionally charges higher premium depending on the nature of the adverse factors of risk. On this basis, the Corporation is currently charging a flat extra premium of Rs. 2 per thousand sum assured in the case of policies on the lives of certain categories of handicapped persons. However, even this extra premium is waived for the first Rs. 10,000 sum assured.

(c) and (d). The Corporation's practices